

Message Text

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PAGE 01 BELIZE 00705 172322Z
ACTION OPIC-06

INFO OCT-01 ARA-14 ISO-00 EB-08 /029 W
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UNCLAS BELIZE 705

FOR OPIC

E.O. 11652: N/A
TAGS: EINV
SUBJECT: OPIC APPLICATION FOR INSURANCE: 505-76-048--
WILLIAM P. WESTMORELAND

REF: (A) STATE 133219; (B) CONSULATE GENERAL'S A-14, 11/25/77

1. OPIC MAY WISH REFER TO REF (B) FOR MORE DETAILED TREATMENT OF CONDITIONS BEARING UPON ALIEN LANDHOLDERS IN BELIZE, BUT FOLLOWING IS BRIEF SUMMARY.

2. ALIEN LANDHOLDING ORDINANCE OF 1973 REMAINS BASIC STATUTE AND REQUIRES PERMIT FROM MINISTER OF AGRICULTURE AND LANDS BEFORE ALIEN MAY PURCHASE ONE-HALF ACRE OF URBAN LAND OR TEN ACRES IN RURAL AREAS. PERMIT CONDITIONAL UPON PRESENTATION OF DEVELOPMENT PLAN ACCEPTABLE TO MINISTRY, AND ANY SUBSEQUENT FAILURE IN HOLDING TO PLAN'S DEVELOPMENT SCHEDULE CAN RENDER LAND SUBJECT TO FORFEITURE. HOWEVER, WE KNOW OF NO CASE WHERE FORFEITURE PROVISION HAS BEEN APPLIED EVEN THOUGH IT APPEARS TO HAVE BEEN JUSTIFIED UNDER ORDINANCE IN SEVERAL INSTANCES. LANDS COMMISSIONER HAS ON NUMBER OF OCCASIONS TOLD US THAT MINISTRY WOULD BE LOATH TO APPLY IT, PREFERRING TO WARN INVESTORS AND PENALIZING THEM WITH FINES FOR NON-PAYMENT OF TAXES, ETC.

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3. ALIENS, INCLUDING U.S. CITIZENS, HAVE HAD LAND TAKEN FROM THEM BY THE GOB UNDER THE LANDS ACQUISITION ACT, A GENERAL CONDEMNATION LAW SIMILAR TO THOSE IN MOST OTHER COUNTRIES. ORDINANCE APPEARS TO BE USED PRIMARILY TO ACCOMMODATE EXPANSION OF TOWNS AND TO ASSUAGE SQUATTERS, BUT VERY SELDOM, IF EVER, HAS IT BEEN USED IN CASE WHERE ALIEN LANDHOLDER IS ACTIVELY PURSUING ECONOMIC DEVELOPMENT OF PROPERTY.

4. LAWS AND PRACTICE IN BELIZE THUS ARE VERY DEFINITELY DESIGNED TO PREVENT SPECULATORY PURCHASES AND HOLDING OF LAND. ALTHOUGH LOCAL POLITICS CAN SOMETIMES ENSNARL ALIEN-OWNED PROPERTY IN NASTY SITUATIONS AND OFFICIAL RHETORIC OCCASIONALLY BREEDS UNCERTAINTY, OTHER FACTORS--OFFICIAL PRONOUNCEMENTS, AVAILABILITY OF DEVELOPMENT CONCESSIONS TO ALIEN INVESTORS, AND ACTUAL GOB PRACTICE--ON BALANCE MAKE POLITICAL CLIMATE GENERALLY ACCEPTABLE FOR ALIEN LANDHOLDERS WILLING TO INVEST AND DEVELOP PROPERTY UNDER ADVERSE ECONOMIC CIRCUMSTANCES--SEE REF B.

5. REGARDING WESTMORELAND'S PROJECT, CONGEN'S EARLIER FAVORABLE REMARKS STILL APPLY. WESTMORELAND HAS TOLD US HE HAS SHIFTED AWAY FROM CORN AND MILO MAIZE TOWARD RAISING OF CHICKENS AND CULTIVATION OF VEGETABLES OFTEN IN SHORT SUPPLY ON BELIZE MARKET. WESTMORELAND'S PROJECT, IF SUCCESSFUL, WOULD ASSIST IN INCREASE OF FOOD SUPPLY AND TEND DECREASE IMPORTS OF VEGETABLES FROM MEXICO. WE HAVE SEEN NO EVIDENCE OF TWO AMERICANS CITED REF A AS ALREADY WORKING, BUT THERE ARE BELIZEANS AND AT LEAST ONE THIRD COUNTRY NATIONAL WHO CLAIM CULTIVATION ALREADY UNDER WAY.

6. WESTMORELAND DOES FACE ONE SERIOUS PROBLEM RE OPIC INSURANCE COVERAGE. PERMANENT SECRETARY OF MINISTRY OF TRADE AND INDUSTRY HAS INFORMED CONGEN THAT GOB CAN NO LONGER CONSIDER VALID ITS APPROVAL GRANTED BY LETTER MAY 11, 1976. PERMSEC STATES UNCLASSIFIED

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TOO MUCH TIME HAS ELAPSED AND THAT MINISTRY WILL HAVE TO RECONSIDER PROJECT BASED ON ADDITIONAL, UPDATED INFORMATION IT NEEDS FROM WESTMORELAND. ONGEN REPRESENTATIVE PERSONALLY INFORMED WESTMORELAND OF THIS DEVELOPMENT ON JUNE 22 AND URGED THAT HE (WESTMORELAND) SPEAK WITH MINISTRY OFFICIALS ABOUT REINSTATEMENT OF APPROAL. WESTMORELANDS REPSONSE WAS VAGUE, AND HE APPEARED UNENTHUSIASTIC ABOUT PROSPECT OF DEALING WITH MINISTR Y.

PERMSEC CURRENTLY IS IN GUYANA ON GOB BUSINESS, SO WE ARE UNABLE ASCERTAIN OFFICIALLY WHETHER WESTMORELAND HAS MADE SUBSEQUENT APPROACH TO MINISTRY. OTHER MINISTRY CONTACT NOT FAMILIAR WITH CASE HAS INSPECTED FILE AT OUR REQUEST AND REPORTS THERE IS NO EVIDENCE THAT WESTMORELAND HAS BEEN IN TOUCH WITH MINISTRY RECENTLY.

7. WE UNDERSTAND WESTMORELAND HAS BEEN IN CONTACT WITH MINISTRY OF AGRICULTURE OFFICIALS AND THAT THEY FAVOR HIS PROJECT, BUT THAT MINISTRY IS NOT APPROVING AUTHORITY FOR OPIC INSURANCE COVERAGE. CONGEN THEREFORE RECOMMENDS OPIC URGE WESTMORELAND, AS WE DID, TO COMMUNICATE WITH MINISTRY OF TRADE AND INDUSTRY AND SEEK REINSTATEMENT OF APPROVAL ASAP.
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